GLOBAL FINANCING FACILITY

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INTRODUCTION TO THE GLOBAL FINANCING FACILITY: A GUIDE FOR GFF ENGAGEMENT AND INCREASING FINANCING RESOURCES

1. INTRODUCTION: HOW A FINANCING FACILITY DRIVES PROGRESS TOWARD THE SDGS

The Global Financing Facility in Support of Every Woman Every Child (GFF) is a multi-stakeholder partnership. The GFF was established as an innovative financing mechanism in 2015 to close the estimated annual financing gap of US$33 billion[1] that has hindered reaching key Millennium Development Goals (MDGs) and that is required to eliminate preventable maternal and child deaths for achieving important Sustainable Development Goals (SDGs) by 2030. The GFF process helps governments and their partners to prioritize, focus on results, and tackle the main systems bottlenecks to impact at scale which are critical to achieving universal health coverage.

Although considerable progress has been made over the past 25 years in improving reproductive, maternal, newborn, child, and adolescent health and nutrition (RMNCAH-N), too many women, children, and adolescents have been left behind, with MDGs 4 and 5 (child and maternal health) the furthest from attainment among all the MDGs.

The SDGs represent an ambitious international agreement for the world we want to see. This commitment has led to global conversation about how to finance development goals, which is only possible through new approaches to financing that recognize that countries themselves are the engines of progress and that the role of external assistance is to support countries both to get more results from existing resources and to increase the total volume of financing.

The GFF supports countries to enhance their trajectory to achieve the SDGs by:

A. STRENGTHENING DIALOGUE: among key stakeholders under the leadership of governments and supporting the identification of a clear set of priority results that all partners commit their resources to achieving;

B. GETTING MORE RESULTS: from existing resources and coordinating increased total volume of financing on key RMNCAH-N priorities from four sources:

- Domestic government resources;
- Financing from the International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD);
- Aligned external financing;
- Private sector resources;

C. STRENGTHENING SYSTEMS: to track progress, learn, and course-correct.

The GFF is a partnership that brings together a wide array of stakeholders, including national governments, civil society organizations, the private sector, multilateral and bilateral institutions, and foundations. To support this broad partnership, a multi-donor trust fund – the GFF Trust Fund – has been established at the World Bank Group to be a catalyst for this process. The GFF Trust Fund provides flexible financing for the preparatory work and technical assistance required to identify priorities, supports the process of bringing partners together, and makes grants linked and complementary to IDA or IBRD financing to address key priorities. The GFF Trust Fund is not intended to fill the financing gap on its own but rather to help coordinate and crowd in additional resources from the broader set of partners that are part of the facility, and to build synergies and ensure that the resources available are aligned and working smoothly together (i.e. IDA/IBRD, donor funds, private sector, and public domestic resources). The GFF approach is guided by two key principles: country ownership and equity.

2. KEY ELEMENTS OF THE GFF PROCESS

The GFF process is country-led and experience of initial GFF countries has led to the identification of a number of steps that have proven useful for ensuring successful GFF engagement.

A. GOVERNANCE ARRANGEMENTS TO ENSURE COUNTRY OWNERSHIP AND LEADERSHIP

The first step in most countries is the establishment of the country platform[2]. Often times building on existing mechanisms, the country platform brings together a range of key stakeholders, typically including: different parts of the government, representatives of civil society organizations, private sector and development partners (both financiers such as bilateral donors and multilateral agencies such as Gavi and the Global Fund, and technical agencies).

The country platform plays a number of roles, including overseeing the development and implementation of the Investment Case and of the health financing work, mobilizing financing for the priorities identified, coordinating technical assistance, and overseeing monitoring and evaluation efforts.

[1] The GFF Business Plan, 2015.

[2] A guidance note on country platform is available on the GFF website: https://www.globalfinancingfacility.org/sites/gff_new/files/GFF%20Country%20Platform%20guidance%20note.pdf

B. STRENGTHENING DIALOGUE IN ORDER TO PRIORITIZE AND COMMIT FINANCING

Once governance arrangements have been worked out, the next stage is the planning phase: the identification of what needs to happen for a country to "bend the curve" and get on a trajectory to achieving the SDGs. This includes both the shorter-term investments that are required to improve the health and wellbeing of women, children, and adolescents and move countries toward universal health coverage (UHC), and the longer-term reforms to health financing systems that are required to ensure the sustainability of investments and further progress towards UHC.

GFF CONTRIBUTION TO UNIVERSAL HEALTH COVERAGE

- GFF supports the progressive expansion of services by assisting countries in prioritizing and expanding the coverage of high-impact interventions for women and children—who are key populations that are often not adequately covered—through the development of an Investment Case.
- The GFF's strong equity focus is critical to the progressive expansion of services to non-covered populations, many of whom are poor, vulnerable and disadvantaged women and children.
- The GFF supports countries in implementing key health financing reforms, which support domestic resource mobilization and the introduction of risk-sharing schemes, which in turn reduces out-of-pocket expenditures.

THE INVESTMENT CASE

The process of identifying priority investments in the short-term is called the development of an "Investment Case". The objective of the Investment Case process is to shape how resources are directed: to ensure that available financing is being targeted at a set of priority investments that will benefit women, children, and adolescents, and support the attainment of universal health coverage. The investment case builds on existing plans and strategies, while supporting governments in prioritizing key reforms based on rigorous analysis of data.

These investments include interventions specifically addressing key RMNCAH-N challenges; health systems strengthening required to deliver quality health services (e.g., human resources for health, supply chain management, health financing, or information systems); and multi-sectoral approaches to improve health and nutrition outcomes through sectors such as education and social protection. The Investment Case process should also identify ways to improve the efficiency of existing spending and whenever possible define the first steps needed to mobilize additional domestic resources for health.

Investment Cases also identify main bottlenecks that need to be addressed to deliver these interventions. As part of the health system bottleneck analysis, *underlying issues* in the health financing system are analyzed to determine how incentives and resources need to shift to support proposed reforms and achieve suggested results in an efficient and equitable manner.

LONGER-TERM REFORMS

While the Investment Case is intended to accelerate progress now to improve health outcomes in the near-term, countries often need to undertake larger, longer-term reforms to their health systems, particularly around health financing, to attain the SDGs. The overall aim of this work is to close the financing gap for RMNCAH-N in an equitable manner and to set countries on the path to universal health coverage by supporting their progress towards more sustainable and equitable health financing systems. A key element of these long-term reforms is mobilizing additional domestic resources for health. Even in most low-income countries, a large share of health expenditures is from domestic sources, and it is not possible to close the financing gap for RMNCAH-N or achieve UHC without increases in domestic financing. This requires both taking advantage of economic growth by growing the overall volume of government expenditures and prioritizing the health sector within the government budget. Domestic resources for RMNCAH-N come from both public and private sources, although the emphasis in the GFF approach is on shifting from forms of financing that increase inequities (particularly out-of-pocket expenditures) toward mechanisms that do not disadvantage the poor and vulnerable. A key focus is on shifting from out-of-pocket expenditures to increased prepayment and pooling of resources for health.

C. GETTING MORE RESULTS FROM EXISTING RESOURCES AND COORDINATING INCREASED TOTAL VOLUME OF FINANCING FROM FOUR SOURCES

Prioritization within the limits of available resources is a critical part of the GFF approach but it is only a step along the path. The heart of the GFF approach is about making meaningful shifts towards the efficient use of financing and in the total volume of financing available (i.e., the quality and quantity of financing).

A core part of the GFF approach is getting more results from existing resources and coordinating increased total volume of resources from four sources:

TABLE 1: COUNTRY PROCESS FOR GFF ENGAGEMENT AND IDA/IBRD MOBILIZATION*

NECESSARY ACTION	RELEVANT AGENCY
MOF and MOH (or other relevant ministry) express interest in participating in the GFF with a commitment to increase domestic resources and allocate IDA/ IBRD for the GFF agenda.	MOF, MOH
Decision of GFF's support of country selection by GFF Trust Fund Committee**	GFF Trust Fund Committee
Establishment of country platform and preparation of the Investment Case	MOH to lead with MOF and other sectors, bilaterals, CSO's, private sector, WB, technical agencies and GFF secretariat
Development of IDA/ IBRD and GFF TF financed projects and country programs based on the Investment Case	MOH and WB (with MOF and in consultation with country platform and particularly other financiers for alignment and coordination of investments)
Board approval of project	World Bank

* The average timeline from the start of the process to WB board approval is 9 months.

** Country selection takes place based on available resources and country demand on average twice a year.

- **Domestic resources:** National funding is the major source of health expenditure in most countries, with many possible ways to improve the efficiency of domestic spending and increase the volume of it. The involvement of ministries of finance is particularly important in this area.

- **IDA and IBRD financing:** The GFF is closely linked to IDA/IBRD country engagements and complementary operations, providing Ministries of Health and Finance the opportunity to increase synergies and the scale of financial investment in the health sector and UHC agenda. To date, resources from the GFF Trust Fund are linked with concessional financing from the World Bank Group in a ratio of US$1 from the trust fund to more than US$5 of IDA/IBRD financing on average. The GFF support for the investment case can help strengthen the case for and effectiveness of IDA/IBRD country programming and intervention design. The technical assistance provided as part of the GFF process has resulted in improvements in the use of existing IDA/IBRD financing and in increased volumes of IDA/IBRD financing.

- **Aligned external financing:** External financing is often highly fragmented, which increases duplication and other inefficiencies and means that crucial areas may be underfinanced. The GFF addresses this through the country platform and the Investment Case process. High level commitment to the GFF principles by key development partners also enhances coordination and accountability of their country operations. This is a unique value-added element of the GFF.

- **Private sector resources:** Private financing is a critical source of capacity to deliver services (in many GFF countries, more than half of key RMNCAH-N services are delivered by private providers) and of financing. The GFF approach is to harness both the capacities of the private sector and to attract additional private sector financing (particularly through innovative financing approaches).

GETTING MORE RESULTS

While different national contexts make it difficult to generalize steps, the table below provides concrete examples of how GFF countries have approached and taken forward health sector financing and coordination.

TABLE 2. APPROACHES TO GETTING MORE RESULTS OUT OF EXISTING RESOURCES AND INCREASING THEIR TOTAL VOLUME

DOMESTIC RESOURCES	
GETTING MORE RESULTS FROM EXISTING RESOURCES/IMPROVING EFFICIENCY	Improving allocative efficiency through the prioritization process of the Investment Case (most countries as this is a main objective of GFF investment cases)
	Strengthening public financing management (e.g., Mozambique)
	Results-based financing (e.g., Tanzania)
INCREASE TOTAL VOLUME	Increasing the total volume of government revenue by improving the effectiveness of tax collection and/or increasing the revenue base of existing taxes
	Introducing new taxes/revenue sources (e.g., Liberia)
	Giving higher priority to health in domestic spending (e.g., Kenya)
FINANCING FROM IDA/IBRD	
GETTING MORE RESULTS FROM EXISTING RESOURCES/IMPROVING EFFICIENCY	Strengthening coordination through the country platform, leading to the identification of synergies with other development partners (e.g., Cameroon)
INCREASING THE TOTAL VOLUME OF RESOURCES	In DRC, the development of the Investment Case and strong country leadership led to a new IDA allocation for health of US$200 million linked to US$40 million in TF resources.
	Using a multi-sectoral perspective to improving health outcomes and thereby drawing in IDA/IBRD financing for other sectors (e.g., Bangladesh)
	Using a "buy-down" to increase IBRD financing into the health sector (e.g., Guatemala)
ALIGNED EXTERNAL FINANCING	
GETTING MORE RESULTS FROM EXISTING RESOURCES/IMPROVING EFFICIENCY	Strengthening information flow among donors so that gaps and duplication in financing can be identified and addressed (e.g., Liberia)
	Building operational mechanisms to increase coordination among development partners (e.g., DRC)
	Collaborating to strengthen government systems so that more external resources can flow through the national budget, which improves efficiency (e.g., Mozambique)
INCREASING THE TOTAL VOLUME OF RESOURCES	Channeling newly available development assistance to the priorities identified in the Investment Case (e.g., Cameroon)
PRIVATE SECTOR	
GETTING MORE RESULTS FROM EXISTING RESOURCES/IMPROVING EFFICIENCY	Using a results-based financing approach that draws in new (non-state) actors (e.g., Nigeria)
INCREASING THE TOTAL VOLUME OF RESOURCES	Employing innovative financing mechanisms (e.g., Cameroon)